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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**OBJECTION TO DISCLOSURE STATEMENT AND
JOINDER IN THE US TRUSTEE'S OBJECTION**

TO THE HONORABLE COURT:

COMES NOW Santa Rosa Mall, LLC (“Santa Rosa Mall”), by and through its undersigned counsel, and hereby objects to the *Disclosure Statement* (Docket No. 3276), as subsequently supplemented by its exhibits (Docket No. 3618), filed by the Debtors as follows:

Factual and Procedural Background

1. Sears Holding Corporation and its affiliated co-debtors (collectively the “Debtors”) filed their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on October 15, 2018 (Docket No. 1).

2. On April 10, 2019, Santa Rosa Mall filed Proof of Claim No. 17454 in the amount of \$16,500,000.00. The claim arises from the damages caused to Store No. 1915 by Hurricanes Irma and Maria back in September 2017, for which Insurance Policy No. PTNAM1701557 was intended to provide coverage. Since October 2017, Santa Rosa Mall has requested Debtors information as to the status of the insurance proceeds (including its claims, adjustment negotiations

and ultimate settlement payment) related to Store No. 1915 (Insurance Policy No. PTNAM1701557). See Motion for Entry of Order for the Debtor to [] Disclose Status of Insurance Claim... (Docket No. 1240).

3. On April 17, 2019, the Debtors filed the *Disclosure Statement* (Docket No. 3276), which was subsequently supplemented by the exhibits filed on May 3, 2019 (Docket No. 3618).

4. On May 1, 2019, Santa Rosa Mall filed a *Motion for Relief from the Automatic Stay and Memorandum in Support Thereof and/or to Declare that the Insurance Proceeds are not part of the Bankruptcy Estate* (the “*Motion for Relief from Stay*”, Docket No. 3475). Santa Rosa Mall sustains that it is included among the insured in the *Contract of Insurance* (the “*Contract of Insurance*”) for Policy No. PTNAM1701557 (the “*Insurance Policy*”) for the period of June 1, 2017 to June 1, 2018, which provides coverage for the damages caused by Hurricanes Irma and Maria back in September 2017 up to the limit of \$50,000,000. As named insured, Santa Rosa Mall sustains the insurance proceeds are not part of the bankruptcy estate. See Motion for Relief from Stay, Docket No. 3475. This matter is presently *sub judice*.

5. On May 7, 2019, the US Trustee filed an *Objection [] to Disclosure Statement for Joint Chapter 11 Plan []* (“*US Trustee’s Objection*”, Docket No. 3681).

Discussion

(A) Joinder in the US Trustee’s Objection

6. Santa Rosa Mall hereby joins and adopts the *US Trustee’s Objection* on the same facts and legal grounds.

(B) Reservation of Rights

7. The *Disclosure Statement* does not provide accurate and sufficient information that would enable Santa Rosa Mall to make a realistic evaluation of the proposed plan and/or the proposed distribution.

8. The Disclosure Statement does not mention and/or take into account Santa Rosa Mall's proposed scenario in which the Insurance Proceeds for the damages caused by Hurricanes Irma and Maria in September 2017 for Store No. 1915 are not part of the bankruptcy estate which is a matter pending resolution by this Honorable Court. Santa Rosa Mall reserves any and all rights to that extent. See Motion for Relief from Stay, Docket No. 3475.

(C) *Insurance Policy No. PTNAM1701557*

9. The *Disclosure Statement* and/or its supplement exhibits do(es) not afford any information whatsoever as to the existence, status or whereabouts of Insurance Policy No. PTNAM1701557 and/or its proceeds, claims, adjustments, settlement payments or related information.

Prayer for Relief

WHEREFORE, Santa Rosa Mall moves the Court to take notice of the foregoing joinder and requests the Court to deny the Debtor' *Disclosure Statement* for the foregoing grounds.

Respectfully submitted.
Dated: May 9, 2019.

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